

CLASSIFICATION RESTRICTED
 SECURITY INFORMATION
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

CD NO.

STAT

COUNTRY German Democratic Republic

SUBJECT Economic - Labor

DATE OF INFORMATION 1949 - 1953

HOW PUBLISHED Daily newspaper

DATE DIST. / 4 Dec 1953

WHERE PUBLISHED Berlin (West)

NO. OF PAGES 2

DATE PUBLISHED 13 Sep 1953

LANGUAGE German

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Der TagesspiegelUNEMPLOYMENT IN THE GERMAN DEMOCRATIC REPUBLIC

Although the labor offices of the GDR do not publish unemployment statistics, the membership files of the social security institutions and statistics of the administrations for labor and social welfare give a good picture of the labor situation.

| | Able-Bodied Unemployed (1,000) | | | Handicapped Unemployed (1,000) | | | Total Unemployed (1,000) |
|-------|-----------------------------------|-------|-------|-----------------------------------|-------|-------|-----------------------------|
| March | Men | Women | Total | Men | Women | Total | |
| 1949 | 68 | 191 | 259 | 91 | 40 | 131 | 390 |
| 1950 | 69 | 222 | 291 | 70 | 38 | 108 | 391 |
| 1951 | 83 | 401 | 484 | 91 | 67 | 158 | 642 |
| 1952 | 87 | 467 | 554 | 94 | 71 | 165 | 719 |
| 1953 | 113 | 683 | 796 | 142 | 89 | 231 | 1,027 |

At the beginning of the 1949 - 1950 Two-Year Plan, the number of employed persons dropped appreciably, because of reorganizations and because of difficulties in materials supply. It was believed that the upper limit had been reached with about 390,000 unemployed in spring 1949. On the contrary, while the number of handicapped unemployed had dropped by some 20,000 a year later, the number of able-bodied male unemployed had remained almost unchanged and the number of able-bodied female unemployed had increased by about 30,000. It should be pointed out, too, that the above table lists only those unemployed who draw unemployment relief; those out of work for more than 26 weeks, who no longer draw relief, are not included. In spring 1953, the number of unemployed reached the one-million mark for the first time. Undoubtedly, it would be still higher if considerable portions of the labor force were not being absorbed by uranium mining, which is being carried out energetically regardless of economic losses incurred (it employs 240,000 persons, counting those employed by SAG Wismut), and by the Garrisoned People's Police.

- 1 -

CLASSIFICATION

RESTRICTED

| STATE | NAVY | NSRB | DISTRIBUTION | | | | | | |
|-------|------|------|--------------|--|--|--|--|--|--|
| ARMY | AIR | FBI | | | | | | | |

RESTRICTED

STAT

This development gives the lie to the forecasts made at the beginning of the Five-Year Plan; according to the plan, an additional 900,000 workers were to find employment. Instead, the "economy measures" which went into effect at the beginning of 1953 have necessitated personnel cuts of 7 to 17 percent in offices and plants. These measures, the faulty planning admitted by the Grotewohl government, and the constantly increasing shortages of material are the main causes of the increasing unemployment.

Unemployment in the German Federal Republic and in West Berlin, so much played up by Communist propaganda, was at the end of November 1952 1.4 million, or 3.3 percent of a total population of 48 million inhabitants, which includes the political refugees without right of domicile. In the GDR, with 18 million inhabitants and 1.03 million unemployed, the percentage is 5.7. In the meantime, the number of unemployed in the German Federal Republic has dropped further.

A note by Soviet High Commissioner Semenov spoke of the "alms" on which the unemployed in the West must live. In reality, a married person in the West, receiving 120 to 170 Deutsche marks unemployment relief monthly, does not have to go hungry. In the GDR he would get, at best, 2 Deutsche marks unemployment relief each weekday, plus an allowance for wife and children, which is also lower than the allowance granted in the West. Thus, he might get 100 to 120 Deutsche marks (East) per month. The significance of this figure need not be discussed further, in view of the lower purchasing power of the East mark. The social stability of the GDR worker is further reduced by the fact that he may be given 2 weeks' notice on any workday. If Semenov, despite these facts, makes the claim that there is no unemployment in the GDR, he can do so only because the GDR officially does not have any "unemployed", but only "persons looking for work."

- E N D -

STAT

- 2 -

RESTRICTED